SUPREME COURT U. S.

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IN THE

Supreme Court of the United States

OCTOBER TERM, 1969.

No. 424

FMC CORPORATION,
Petitioner,

vs.

PAPER CONVERTING MACHINE CO., INC.,
Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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PETITION FOR WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

Petitioner, FMC Corporation, prays that a Writ of Certiorari be issued to review the judgment of the United States Court of Appeals for the Seventh Circuit entered in this case on March 12, 1969.

OPINIONS BELOW.

The Trial Court Opinion of the United States District Court, E. D. Wisconsin, dated June 5, 1967 (AII-1647-1655) (reported at 274 F. Supp. 372) and the Opinion of the United States Court of Appeals for the Seventh Circuit affirming the Trial Court's Judgment (reported at 161 USPQ 67) are printed in the Appendix of this Petition as *A*, *B*, and *C*. Pertinent Finding of Fact 46 (AII-1674-1675) relating to alleged waiver of accused infringer is

printed as *D*, and Conclusion of Law 4 is printed as *E* herein.

The complete Findings of Fact and Conclusions of Law of the Court, prepared by Plaintiff pursuant to the Trial Court's Opinion, are printed at AII-1656-1677.

JURISDICTION.

The Judgment and Opinion of the Court of Appeals for the Seventh Circuit was entered on March 12, 1969; and Petitions for Rehearing, filed by the Defendant-Appellant FMC Corporation, were denied on May 9, 1969 and on July 28, 1969. The jurisdiction of this Court is based upon 28 U. S. C. 1254(1) (in Appendix at *H*).

QUESTIONS PRESENTED.

1. In view of the public interest[1] does an alleged waiver as to patent validity by an accused infringer justify a Court not applying the prerequisite tests as to invention.[2]

2. Did the Court of Appeals commit error in ruling (contrary to law in other circuits) that the Trial Court in upholding the validity of the patent did not commit reversible error in "failing to make a specific finding on the defense of non-invention" (Page 9 of Opinion).

STATUTES INVOLVED.

The statutory provisions involved are Rule 52(a) of the Federal Rules of Civil Procedure, Title 28 U. S. C. and Sections 102 and 103, Title 35 U. S. C. These statutes are set forth in the Appendix at *F* and *G* at the back of this Petition.

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1. *Lear, Inc.* v. *Adkins* decided by this Court on June 16, 1969, 161 USPQ No. 11 Supplement.

2. *Graham* v. *John Deere Co.*, 383 U. S. 1, 17 (35 U. S. C. 103).

STATEMENT OF THE CASE.

This action was brought under the patent laws of the United States by Paper Converting Machine Co., Inc., against Hudson Sharp Machine Co. of Green Bay, Wisconsin, now merged in FMC Corporation (AI-20 and AI-23). This action involves questions of validity and infringement of Patent No. 2,870,840[3] Kwitek (AII-1105) issued January 27, 1959, from an application filed May 16, 1957, entitled "Web Cutting Apparatus".

Defendant's answer (AI-15-17), (a) in paragraph 5 denied any infringement, (b) in paragraphs 6, 7, 8 and 9 pleaded in detail invalidity of the patent (Sections 102, 112 and 103, 35 U. S. C.), (c) in paragraph 10 pleaded Kwitek was not the inventor (Section 101), and (d) in paragraph 11 pleaded non-infringement under the file history estoppel doctrine. The Trial Court did not find that Defendant had withdrawn of record any of its aforesaid defenses but found issue was joined on the question of validity.[4]

The record shows that in the trial the Defendant submitted factual evidence bearing on the validity issues including the testimony of patent expert John D. Chestnut (AI-780-798) and offered some nine prior patents in evidence (AII-1489-1539) including two not before the Patent Office Examiner.

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3. The Kwitek patent (AII-1105) discloses for use in an old web winding machine flexible cutter blades on a web roll (Col. 2, lines 24-26) (AII-1109) and cooperable with anvil or stationary blades in the cutting of paper webs or sheets, such as (but not restricted thereto) the perforating of toilet tissue sheets (Col. 5, lines 8-10) (AII-1111). Claim 1 was found to be typical or representative, page 2 of Court of Appeals decision in Appendix at *B* (AII-1664).

4. This is supported by Finding of Fact 27 submitted by Plaintiff following the Court Opinion and adapted by the Court (AII-1664). "27. Issue was joined in the instant suit on August 17, 1959, wherein defendant's answer denied infringement, alleged invalidity of patent No. 2,870,840, and set forth a defense of file wrapper estoppel."

The Trial Court in its Opinion (AII-1647) of June 5, 1967, holding the patent infringed (in Appendix at *A*, 274 F. Supp. 372), did not therein go into or pass on the validity of the patent. In its Conclusion of Law 4 (in Appendix at *E*, AII-1676) (submitted by Plaintiff), the Court concluded Plaintiff's patent was valid. It did not, however, enter any supporting findings of fact as to the application of the required tests of invention to the claims or to show wherein the invention was unobvious under Section 103, Title 35 U. S. C. (in Appendix at *G*). Nor did it enter a finding that the Defendant had admitted validity of the patent.

The Court of Appeals (in Appendix at *B*, pages 5 and 6) in its Opinion went further than the Trial Court in making an assumption from the closing arguments of Defendant's counsel below that Defendant had appeared to abandon its argument of invalidity and that hence the Trial Court did not have to go into the validity.

It should be noted that Plaintiff at the trial conceded that invalidity was being urged by the Defendant when in its Opening Statement (AI-25) in the trial the Plaintiff said, "So as we see it, they say that if we try to extend our patent to cover their machine, *it is invalid over the prior art.*" (Emphasis ours.)

At the close of Defendant's Opening Statement in the trial, Defendant's counsel said, "Now, to close, I am not of a mind to have the issue of validity dismissed from this case." (AI-26.)

After the trial and in the much later closing Oral Arguments in Open Court, Defendant, in response to query by the Court stated the Court did not have to go into validity (in Appendix at *D*, Finding of Fact 46). This was of course true if, as urged by the Defendant, the Court (AII-1030) found there was no infringement. While neither Court here so stated, it was apparently this statement of Defend-

ant that was relied upon by the Court in its opinion (some 2½ years after the trial) as an excuse for its not applying the required tests of invention and obviousness pursuant to the defenses under Sections 102 and 103, Title 28 U. S. C. (in Appendix at *G*). The Court of Appeals (in Appendix at *B*, page 8, 161 USPQ 71), in affirming the decision of the Trial Court (which did not inquire into validity), said:

> "Relative to this situation defendant on brief states, 'In this respect the record shows Defendant believed its defenses of non-infringement and file history estoppel were so strong that they should be allowed; and in which event the Court would not have to pass on validity.' We do not know, of course, what defendant believed, but *we find it reasonable to think* that it recognized the futility of defending on the ground of non-validity and chose instead to make its defense solely on non-infringement and file history estoppel." (Emphasis ours.)

Thus, the Court of Appeals conjectured as to what the Defendant did at the trial. It certainly did not, nor could it properly, find that the record revealed the Defendant had conceded that the Trial Court could uphold validity without determining the invention of the claims. In fact, the Defendant in its closing arguments urged the applicability of the controlling decision in *Graham* v. *John Deere Co., supra* (AII-1034).

Previously, Defendant in the trial had also in its closing Oral Argument (AII-1034) referred to illustrative prior art such as the 1848 Wilder Patent No. 5,672 (PX-38, AII-1489) and Gerbe Patent No. 2,592,268 (PX-38, AII-1509). Further, Defendant in its closing argument (AII-1031)[5]

5. "So far as the recess is concerned, *Mr. Barlament said that was just plain obvious*, anyone could do it [referring to recess as defined in claims 3 and 9]. There just has to be room. If a blade is going to bend, it is going to bend in a recess. That was Mr. Barlament's point of view. Plus another witness, uncontroverted, Mr. Chestnut. . . ." (Emphasis ours.)

even argued the issue of obviousness based on the testimony of expert engineer Barlament (AI-589).

REASONS FOR GRANTING WRIT.

The Court of Appeals for the Seventh Circuit has in its Opinion, here involved, rendered a decision in conflict with decisions of other Courts of Appeal interpreting the decision of this Court in *Graham* v. *John Deere Co., supra,* as being mandatory.

The mandate in question states that a Trial Court should make findings as to tests of invention and obviousness under Section 103 in the holding of a patent to be valid and infringed. In this respect, this Court at page 17 in the *Graham* case said:

> "Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or non-obviousness of the subject matter is determined."

The Court of Appeals in affirming the Trial Court's failure to make any specific findings as to the defense of non-invention (page 9), because it believed Defendant had waived the invalidity defense, acted contrary to the spirit and intent of this Court's very recent decision of June 16, 1969, in *Lear, Inc.* v. *Adkins,* 161 USPQ No. 11 Supplement.

According to the *Lear* case, a Court can no longer avoid applying the tests of invention under *Graham* because of any contention that the accused infringer is estopped to attack validity of the patent. In the *Lear* case, this Court reversed the long outstanding law of *Automatic Radio Co.* v. *Hazeltine,* 339 U. S. 827, 836 (1950) as to a licensee being estopped to contest the validity of a licensed patent.

This was done because the public interest was considered paramount and as overpowering any estoppel.

It is submitted that the law of the *Lear* case, in order to satisfy fully the public interest, should be extended so as to preclude a court, as here, from not going into patent validity merely because of an alleged concession or waiver as to validity on the part of the accused infringer.

The Trial Court in its decision (in Appendix at *A*, AII-1650 and 274 F. Supp. 372, 374) only went into the matter of infringement and in so doing ruled that only the "sole question"[6] of whether Defendant's cutter satisfied the claims was involved. The Trial Court entered no findings of fact whatsoever as to validity under Section 103 but merely concluded in Conclusion of Law 4 (in Appendix at *E*, AII-1676) that the patent was valid.

The Court of Appeals, here, was fully aware that Defendant, in its appeal, was clearly raising the question of whether the Trial Court could avoid applying the tests of invention in a holding of patent infringement since at page 4 (in Appendix at *B*, 161 USPQ 69) of its decision it stated Defendant was raising the following issue:

> "2. Did the Trial Court, here, err in its holding of infringement without any determination of what the actual claimed invention was and whether it satisfied the required tests to be a patentable invention?"

The Court of Appeals in its denial of any necessity to apply the tests of invention required by Section 103 (in Appendix at *G*) (because Defendant allegedly had not stressed invalidity below even though Defendant never withdrew its invalidity defenses) adopted a position contrary to the ruling of this Court in the *Graham* v. *Deere*

6. "The sole question here presented is whether the stationary or anvil blades in the accused machines are rigidly mounted or supported as required by the claims in issue" (in Appendix at *A*, AII-1650).

case *as interpreted by other Federal Circuit Courts of Appeal.* Some of the decisions in the other Circuits requiring as a prerequisite the application of the tests of invention before any ruling on validity are hereinbelow noted.

First Circuit:

Colourpicture Publishers v. *Mike Roberts Color Productions,* 394 F. 2d 431 (1 Cir., 1968).

While the Trial Court adjudged the plaintiff's patent invalid, on a motion for summary judgment, the Appellate Court vacated and remanded for failure to apply the *"required"* tests of invention set forth in the *Graham* case. In so doing, the Court held at pages 433 and 434:

> "While the district court repeatedly used the old 'invention' language of Hotchkiss v. Greenwood, 52 U. S. (11 How.) 248 (1851), it is clear by its references, both to *Graham,* supra, and to section 103 that it found the Tichnor patent invalid for obviousness.
>
> * * * * *
>
> "Having in mind the criteria set forth in *Graham,* supra, we are of the opinion that the district court did not address the required questions prerequisite to a finding of obviousness. The Court in *Graham* made a point of saying that the issue of non-obviousness '* * * lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved.' 383 U. S. at 17, 86 S. Ct. at 694."

Second Circuit:

Formal Fashions, Inc. v. *Braiman Bows, Inc.,* 369 F. 2d 536 (2 Cir., 1966).

The Court of Appeals affirmed the Trial Court's holding

of invalidity since the Trial Court had applied the requisite tests of invention. In so doing, the Court said at page 538:

> "The key to the solution of this simple patent case lies in the further definition and application of the rules recently clarified in *Graham* for proving the issue of obviousness.
>
> * * * * *
>
> "The test, as the Supreme Court has indicated, is objective, not subjective. To satisfy the ultimate legal test, we are to make the preliminary factual inquiries outlined in *Graham:*
>
> > " 'Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.' "

Third Circuit:

Gould-National Batteries, Inc. v. *Gulton Industries, Inc.*, 361 F. 2d 912 (3 Cir., 1966).

The Court of Appeals in reversing a holding of one claim to be valid because it did not satisfy the tests of invention held at page 915:

> "The issue of anticipation aside, the more critical question is whether the invention of claim 2 meets the conditions prescribed by §§ 101 and 103 of Title 35 U. S. C. A. An invention which meets the requirements prescribed by § 102 but fails to meet those of §§ 101 and 103, is not patentable. Graham v. John Deere Co., 383 U. S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545 (1966). The latter section reads in pertinent part as follows:
>
> > " 'A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter as a whole

would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.' [Emphasis omitted.]

"Under this section 'the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined.' Graham v. John Deere Co., supra at page 17, 86 S. Ct. at page 694."

Fifth Circuit:

Sisko v. *Southern Resin & Fiberglass Corporation,* 373 F. 2d 866, c. d. 389 U. S. 824 (5 Cir., 1967).

On approving a holding of invalidity pursuant to the law of *Graham* v. *John Deere Co., supra,* the Court of Appeals at page 868 said:

"The Supreme Court had occasion to consider the question of obviousness with respect to validity of a patent in a recent case. Graham v. John Deere Co., 1966, 383 U. S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545. The court construed the language of 35 U. S. C. A. § 103, as meaning that a patent may not be obtained, although the invention has not been identically disclosed in the prior art, when the differences between the subject matter for which the patent is claimed and the prior art are such that the subject matter as a whole would have been obvious to a person having ordinary skill in the art to which the subject matter pertains. We followed this decision in Up-Right, Inc. v. Safway Products, Inc., 5 Cir., 1966, 364 F. 2d 580. There we approved a finding of invalidity based on obviousness, and pointed out that patentability depends not only on novelty and utility, but also on nonobviousness.

"Thus we come to the question of obviousness or nonobviousness for appellant must first cross that statutory hurdle. Moreover, our path, as was true in

Graham v. John Deere Co., is to decide that question which is a phase of the legal question of validity, on the result of factual inquiries. These inquiries are to be directed to the scope and content of the prior art and practices, the differences between the prior art and practices and the claims at issue, and the level of ordinary skill in the art involved."

Up-Right, Inc. v. *Safway Products, Inc.*, 364 F. 2d 580 (5 Cir., 1966).

Here, the Court at page 582 held:

"The question of the validity of the patents in *Graham* was treated as one of law, but to be decided on the result of factual inquiries. These inquiries were said to include the scope and content of the prior art, the differences between the prior art and the claims at issue, and the level of ordinary skill in the pertinent art. It so happens that this was the exact frame of reference used by the District Court in making the determination of invalidity in this case. And it is worthy of note that none of the prior art considered by the District Court as a basis for its ruling was considered by the Patent Office in granting the patent in question."

Sixth Circuit:

United States Gypsum Co. v. *Dale Industries, Inc.*, 383 F. 2d 497 (6 Cir., 1967).

In pointing out that the conditions of Section 103 as announced in the *Graham* case must be satisfied, the Court at page 500 held:

"Subsequent to the issuance of the accused patent and shortly after the District Court decision, the United States Supreme Court provided a careful discussion of the application of section 103 to the problems of patentability.

"'While the ultimate question of patent validity is one of law, A. & P. Tea Co. v. Supermarket

> Corp., supra, 340 U. S. at 155, 71 S. Ct. at 131 (95 L. Ed. 162), the § 103 condition, which is but one of three conditions, each of which must be satisfied, lends itself to several basic factual inquiries. Under § 103, the scope and content of the prior art are to be determined; differences between the prior art and the claims at issue are to be ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background, the obviousness or nonobviousness of the subject matter is determined. Such secondary considerations as commercial success, long felt but unsolved needs, failure of others, etc., might be utilized to give light to the circumstances surrounding the origin of the subject matter sought to be patented. As indicia of obviousness or nonobviousness, these inquiries may have relevancy. * * *' Graham v. John Deere Co., 383 U. S. 1, 17-18, 86 S. Ct. 684, 694, 15 L. Ed. 2d 545 (1966).
>
> "With these considerations in mind, we turn to a comparison of the novel features of the Nelsson patent with the state of the prior art. . . ."

Eighth Circuit:

L & A Products, Inc. v. *Britt Tech Corporation,* 365 F. 2d 83 (8 Cir., 1966).

The Trial Court held the patent claims valid. The Court of Appeals reversed finding them obvious under the *Graham* decision. In so holding, the Court at page 86 said:

> "We recognize, of course, that the statute provides a presumption of a patent's validity and places the burden of establishing invalidity upon the party who assert it. 35 U. S. C. § 282. But, as in *Graham,* that presumption is rebuttable and may be overcome by substantial evidence negating any one of the three essentials for patentability. Although patent validity is an issue of law the nonobviousness requirement is one which lends itself to several basic factual inquiries, namely, the determination of the scope and content of

> the prior art, the ascertainment of the difference between the prior art and the claims at issue, and the resolution of the level of ordinary skill in the pertinent art. P. 17 of 383 U. S., 86 S. Ct. 684. We necessarily follow that path."

National Connector Corp. v. *Malco Manufacturing Co.*, 392 F. 2d 766 (8 Cir., 1968).

Here again the Court at pages 768-9 made it abundantly clear that the tests of invention announced in the *Graham* case must first be satisfied.

> "The trial court found the '617 patent not anticipated by the prior art, and held the patent valid under § 103 relying upon (1) the immediate 'phenomenal' commercial acceptance with the country, (2) the long-felt need and (3) the unexpected advantages and results flowing from its development. Cf. United States v. Adams, 383 U. S. 39, 86 S. Ct. 708, 15 L. Ed. 2d 572 (1966).
>
> "The basic issue, assuming novelty and utility established, concerns 'obviousness' under § 103. This necessitates inquiry into (1) the determination of the scope and content of the prior art, (2) the ascertainment of the difference between the prior art and the claims under '617, (3) 'the background skill of the calling,' and (4) the existence of so-called 'subtests' or collateral indicia of 'nonobviousness.' Graham v. John Deere Co. of Kansas City, 383 U. S. 1, 86 S. Ct. 684, 15 L. Ed. 2d 545 (1966). However, 'subtests' cannot become persuasive if prior art anticipates or otherwise makes obvious the attributes of the improvement involved."

Skee-Trainer, Inc. v. *Garelick Mfg. Co.*, 361 F. 2d 895 (8 Cir., 1966).

The Trial Court held the patent invalid because of obviousness. The Court of Appeals affirmed. At page 898, the Court of Appeals went through the conditions listed in *Graham* and then went on to state that the standards of the *Graham* case *must* be determined.

"We must next determine whether by the standards of *Graham* the trial court reached a proper conclusion."

Ninth Circuit:

Payne Metal Enterprises, Limited v. *McPhee*, 382 F. 2d 541 (9 Cir., 1967).

The Trial Court held the patent valid; on appeal the Court of Appeals held it invalid for obviousness. In following the *Graham* decision, the Court held at page 543:

"Appellees McPhee and Anchor contend that since the trial court made factual findings to the effect that McPhee No. '986 would not have been obvious to a person ordinarily skilled in the art, this court cannot reject these findings unless they are 'clearly erroneous' under Rule 52(a), Federal Rules of Civil Procedure.

"We do not agree. This court has recently stated that '(t)he obviousness or nonobviousness of the subject matter of a patent presents a question of law.' Hensley Equipment Company, Inc. v. Esco Corporation, 9 Cir., 375 F. 2d 432, 436.

* * * * *

"As we pointed out in *Hensley*, however, the legal question revolving around the obviousness of a particular patent must be determined against a factual background, with particular emphasis on the three relevant considerations which must be taken into account in applying section 103 as set forth by the Supreme Court in Graham v. John Deere Co. of Kansas City, 383 U. S. 1, 17-18, 86 S. Ct. 684, namely 'the scope and content of the prior art, the differences between the prior art and the claims at issue, and the level of ordinary skill in the pertinent art.' *Hensley*, supra, 375 F. 2d at 436. The ultimate question, therefore, which this court must decide is whether the changes over the prior art resulted in an appearance of the design as a whole which would not have been obvious to a person of ordinary skill in the art."

Ceramic Tilers Supply, Inc. v. *Tile Council of America, Inc.*; 378 F. 2d 283 (9 Cir., 1967).

The Trial Court held the patents valid and infringed. On appeal it was held that the patents were infringed but the case was remanded to the District Court for additional prerequisite findings of fact on the question of obviousness under the *Graham* case. At page 286, the Court held:

> "The Court below filed its original opinion in this case prior to the decision in Graham v. John Deere Co., supra, and thus did not have the benefit of the standards set forth in that opinion. Accordingly, the findings of fact in regard to the questions of obviousness are too general to provide adequate answers to the initial factual questions which must underlie a finding of obviousness or nonobviousness. In light of the emphasis in *Graham* upon such a factual foundation, *this case must be remanded* for additional findings, and if required additional evidence, in light of the subsequent cases." (Emphasis ours.)

CONCLUSION

The foregoing representative decisions in other circuits make it abundantly clear that the present decision of the Seventh Circuit Court of Appeals is in conflict therewith. This case should have been remanded for findings of fact as to the application of the tests of invention announced in the *Graham* case.

Also, the decisions below are contrary to the paramount public interest and the spirit and intent of *Lear, Inc.* v. *Adkins, supra,* decided by the present Court. The law of the *Lear* case[7] should be extended to apply here and so as to preclude a Court from not inquiring into validity of the patent because of any alleged waiver or concession on the part of the accused infringer.

Respectfully submitted,

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7. In the *Lear* case this Court, at page 2, held:

"We granted certiorari in the present case, 391 U. S. 912, to reconsider the validity of the *Hazeltine* rule in the light of our recent decisions emphasizing the strong federal policy favoring free competition in ideas which do not merit patent protection. *Sears, Roebuck* v. *Stiffel Co.*, 376 U. S. 225 (1964); *Compco Corp.* v. *Day-Brite Lighting Inc.*, 376 U. S. 234 (1964)."

APPENDIX A.

UNITED STATES DISTRICT COURT.

* * (Caption—59-C-152) * *

OPINION.

On July 24, 1959, the complaint in this action was filed by Paper Converting Machine Co., Inc., alleging that the defendant, Hudson-Sharp Machine Co. was infringing U. S. Letters Patent No. 2,870,840, which patent, covering a web cutting apparatus, was issued to plaintiff on January 27, 1959 on an application filed May 16, 1957. The defendant answered on August 17, 1959 denying infringement, alleging invalidity of the patent and setting forth a defense of file wrapper estoppel. The original defendant thereafter merged with Food Machinery and Chemical Corporation, now FMC Corporation, and FMC Corporation is the present defendant.

This case came on for trial by the court, post-trial briefs were filed, oral argument was heard and the court is prepared to render its decision.

The issues originally raised herein have been narrowed considerably since the complaint and answer were filed. Of the nine claims of the patent in suit only six, Claims 1, 2, 3, 4, 8 and 9 are now asserted to be infringed by the accused devices. The defendant has not pressed its defense of invalidity and on oral argument and in briefs did not argue it. And furthermore, the defendant's argument with respect to infringement has been restricted to one element only of the claims in suit, it being conceded, or at least

uncontested, that all other elements are present in the accused devices.

The patent in suit describes an apparatus for perforating toilet paper or other thin paper webs. Prior to 1950, the perforating operation was accomplished on punch-type perforators which consisted generally of two rotating rolls one having teeth or knives and the other having slots. The paper web to be perforated was wrapped tightly around the roll equipped with slots and cut by the teeth engaging the slots as it passed between the rotating rolls. The paper used in this operation was coarser than that with which we are now familiar and the perforation less desirable in that a wide bond existed between slits, which was frequently difficult to tear evenly. In addition with Punch-type perforators, paper mills experienced difficulty in maintaining uniform perforation.

In approximately 1950 a new toilet tissue, Delsey, introduced by Kimberly-Clark, appeared on the market manufactured with a high-grade, softer paper perforated in such a manner as to permit a very neat tear-off. The manufacture of this product was achieved with a pinch-type perforator which also consisted of two rotating rolls, one carrying a hardened blade and the other having grooves, which perforated with a pressure cutting action. The Delsey product was superior and a product which competing paper mills wished to duplicate but the pinch-type perforator used in its production had substantial drawbacks. Although uniform perforation on high grade tissue was accomplished it was not possible to utilize pinch-type perforators on machines which were as wide as or operated at as high a speed as competing paper mills required and such perforators had very precise maintenance requirements.

The introduction of the Delsey product gave rise to a

demand by Kimberly-Clark's competing paper mills for a perforator which would perform equivalent perforation on machines wider than those at Kimberly-Clark which could be operated at commercially acceptable speeds. Some paper mills unsuccessfully attempted to solve the problem themselves and plaintiff and Hudson-Sharp, both manufacturers of machinery for the paper industry, were pressed by their customers for a solution. The patent in suit represents the plaintiff's answer to its customers' demands.

Hudson-Sharp began experiments to manufacture a commercially acceptable perforator which would produce tissue competitive with the Delsey product in about 1953, but its efforts were sporadic and unsuccessful until late in 1956. At that time, Orrin Besserdich, a design engineer at Hudson-Sharp, was instructed to proceed with the experiments "as the number one project". As to the urgency of the project, it should be noted that on September 5, 1956, a Hudson-Sharp salesman had informed management that a customer, Crown-Zellerbach, was soon to view plaintiff's first perforator in operation at Charmin Paper Co. and, if it operated satisfactorily would replace all Hudson-Sharp winders, and would be lost to Hudson-Sharp as a customer.[1] Thereafter Hudson-Sharp stepped up its experimentation, but failed to produce a satisfactory perforator until it in-

1. In his report, the salesman stated:

"I have been advised by Mr. Wymore that before this month is over Crown is going to contract winders for their entire operation as they are changing over 100% to the score or slit type of perferation.

Mr. Wymore is going to be in Green Bay sometime this month to see P. C. Machine Co. start up their score type perferation winder at the Charmin Paper Co. If it proves out satisfactory, they are going to replace all of our winders.

I suggest we come up with some kind of model to show him we have the score type perferation also and catch him while in Green Bay. I have talked him into coming over to our plant as he wants to meet the new Mgr.

If we lose out on this winder order we can forget Crown as a customer. If we can prove to him that we have this perferation, we can have an immediate order."

corporated therein essential features of the plaintiff's perforator, which was already in customers' plants.

Since, as we have stated previously, only one element of the claims here involved is presently contended by the defendant not to exist in the accused devices, the Charmin and Ft. Howard machines, we see no need to discuss in detail the structure described in the patent. It is sufficient to say that the patent describes a perforating structure which has one rotating roll, the bedroll around which the web is partially wrapped, equipped with thin, flexible blades, and that the bedroll blades during operation contact skewed stationary blades, transversely perforating the web. The stationary blades are described in the claims as rigidly mounted or supported in a blade-supporting block or knife holder, which block or knife holder does not move or rotate during perforation. The sole question here presented is whether the stationary or anvil blades in the accused machines are rigidly mounted or supported as required by the claims in issue.

The only difference between the machine disclosed in the patent and the accused structures relied upon by the defendant as avoiding infringement has been succinctly described by the defendant as follows:

> "In the patented structure, the anvil blades are solidly clamped against the beam portion of the machine frame, whereas in the accused structure a transverse shaft *pivotally* supports the blades through an anvil casting carried by the shaft, *a spring being interposed between the anvil and the frame beam.*" (Emphasis ours.)

It is the position of the defendant that since springs are interposed between the casting holding the stationary blades and the beam those blades are not rigidly supported or mounted. It is the position of the plaintiff that those springs due to pre-load, do not perform as springs during

"normal operation"[2] but perform as solid blocks, and that the defendant's interposition of springs, with their ability to compress when abnormal conditions arise,[3] constitutes at best an improvement over the patented structure and does not avoid infringement. These positions give rise to the following questions:

1. Do the springs in the accused structures permit movement of the anvil blades during normal operation?

2. Even if no movement of the anvil blades in the accused structures occurs during normal operation, are those blades resiliently supported or mounted by reason of the fact that movement of the anvils is concededly permitted by the springs during abnormal operations?

We have considered carefully the evidence relative to the question of whether the anvils in the accused structures move during normal operation, and are satisfied that such movement cannot and does not occur. This belief is inspired to a great extent by the testimony of Professor Ralph J. Harker, an expert witness called by the plaintiff, and fortified by a study of the testimony of Dr. Lydik S. Jacobsen, an expert witness called on behalf of the defendant.

It is clear that any movement or pivoting of the anvils and anvil blades in defendant's accused machines during normal operation must be caused by interference between

2. The operation characterized by plaintiff as "normal" has been described by the defendant as "ideal". When we use the term "normal" operation, we refer to an operation in which the web is moving through the perforating unit and being perforated. In so doing we do not imply that there is not ever present the possibility of wads and wrap-ups at the perforator which possibility, if occurring, necessitates stoppage of the unit whether it be of plaintiff's or defendant's construction.

3. The plaintiff does not question the fact that the springs can be further compressed during what it terms "abnormal" conditions, such as the presence of wads or wrap-ups, so as to permit pivoting of the anvils and blades supported thereby.

the thin, flexible bedroll blades and the anvil blades as the bedroll rotates. It is also clear that the force necessary to produce such movement must be sufficient to overcome the force exerted by the springs which hold the anvils in position against an adjusting screw contacting a stop button. The parties are in agreement that the springs exert eighty pounds of force.

Professor Harker, who admittedly conducted no test on the accused devices, proved to our satisfaction by the application of scientific principles that during contact at normal interferences the bedroll blades exerted only about 22 pounds of force, an amount insufficient to overcome the force exerted by the springs and permit movement. Professor Harker's calculations, characterized as theorizing by the defendant, stand unrefuted.[4]

Our study of the testimony of Dr. Jacobsen, convinces us that he neither proved that movement of the anvil occurred during normal operation of the accused structures nor himself believed that he had so demonstrated. Dr. Jacobsen embarked on a series of tests on defendant's machines satisfied before he started that the anvils were resiliently rather than rigidly mounted or supported due to the presence of the springs. In our opinion, he admitted in effect, at the trial that his tests proved nothing with respect to motion of the anvils during normal operation,[5]

4. The defendant has argued that Professor Harker, in making his calculations, ignored friction in establishing the direction of force and varied the direction of the force in determining the amounts necessary and available, but has failed to demonstrate in any way that these matters operated to prejudice the defendant or that calculations made in a manner considered proper by the defendant, correcting Professor Harker's alleged errors, would result in a conclusion that the bedroll blades could exert sufficient force to overcome the preload.

5. This admission extended to defendant's theory that movement may have occurred about or within the clearance between the anvil and shaft although the force causing it was not sufficient to compress the springs.

but maintained that their ability to "roll with the punches" due to the presence of the springs nonetheless rendered them resiliently mounted. He did not believe that the size of the "punches" necessary to cause movement was significant or relevant to the question of whether the anvils were rigidly supported. Dr. Jacobsen's testimony established only what the plaintiff has conceded—that the defendant's anvils will pivot in the presence of wads, etc.—but shed no light on the question of whether movement occurs during normal operation.

We must here note that the record does not reveal that springs were interposed in the defendant's machine to permit movement of the anvils and anvil blades during the normal perforating operation or to perform any function during such operation. Such an advantage or purpose was not shown to have been advanced by the defendant as a desirable feature when the perforators were introduced. Rather the springs are described in the defendant's early literature as holding the anvil in position and no statement is made that anvil movement during perforating occurs or is desirable.

The indirect evidence of motion in the anvils during perforating cited by the defendant, is far short of demonstrating that movement does in fact occur when the machines are operating properly.

We must therefore consider whether the presence of springs in the accused structures which, due to their preload, do not perform resiliently during the perforating operation but rather act to fix the anvils in position, means that the anvil blades are not rigidly supported or mounted within the meaning of the claims in issue, since the springs permit movement of the anvil during overload conditions. In so doing, we must again state that wads, wrap-ups and various paper irregularities causing overload conditions are ever present possibilities and apparently fairly frequent occurrences in paper mills, and perforators are designed

with these possibilities in mind and equipped, either within the perforating unit or with auxiliary equipment, to guard against them.

While a spring is unquestionably resilient, it can function as a rigid bar and the springs do so function in the accused structures until their preload is overcome, a condition which does not occur while the structures are performing the function for which they are designed, that is, perforating paper. When the springs cease to operate as a rigid bar, that is, when their latent resilient capabilities are called into play by overload conditions, the structures cease to perform their intended function since the machines must be stopped to correct the trouble in the web being fed through them. Under these circumstances we must hold that anvil blades in the accused structures are rigidly supported or mounted within the meaning of the claims in issue. We reject the defendant's contention that a spring mounting or support cannot, by its very nature, be considered rigid even in situations where, as here, the spring functions as a rigid member holding the anvil blade in cutting position and preventing movement while perforation is taking place. We also reject the defendant's contention that, in asserting that the defendant's anvil support is rigid during normal operation and admitting that it is non-rigid during overload conditions, the plaintiff is improperly attempting to interpret its patent as covering a mode of operation rather than a structure. The defendant's anvil support is rigid for all practical purposes during operation of the machine and the interposition therein of a member having resilient capacities not utilized during perforation may be an improvement over the patented device but does not avoid infringement.

The claims in suit describe the anvil blade or blades as "stationary" and the defendant has denied infringement

with respect to this limitation on precisely the same grounds on which it asserted non-infringement because of lack of a rigidly supported blade. For the reasons stated above regarding that assertion this contention is without merit.

We also believe the file wrapper estoppel defense asserted by the defendant to be without merit. This defense presupposes that the defendant's anvil blades are not "rigidly supported," as requirement inserted in the claims after rejection based on prior art. We have held that those blades are in fact rigidly supported. This being the case, the plaintiff is not here attempting to recapture what was abandoned before the examiner.

Counsel for the plaintiff will prepare findings of fact and conclusions of law in accordance with Rule 52(a) of the Federal Rules of Civil Procedure and submit them to opposing counsel for approval as to form.

Dated, Milwaukee, Wisconsin; this 5th day of June, 1967.

ROBERT E. TEHAN,
U. S. District Judge.

APPENDIX B.

IN THE UNITED STATES COURT OF APPEALS
For the Seventh Circuit

September Term and Session, 1968

No. 16584
PAPER CONVERTING MACHINE CO., INC.,
Plaintiff-Appellee,
vs.
FMC CORPORATION,
Defendant-Appellant.

Appeal from the United States District Court for the Eastern District of Wisconsin.

March 12, 1969

Before MAJOR, *Senior Circuit Judge,* and KILEY and FAIRCHILD, *Circuit Judges.*

MAJOR, *Senior Circuit Judge.* On July 24, 1959, this action was commenced by Paper Converting Machine Co., Inc., alleging that Hudson-Sharp Machine Company was infringing United States Letters Patent No. 2,870,840, issued to Edwin M. Kwitek, vice president of Paper Converting Machine Co., Inc., to whom the patent was later assigned. Application for the patent, entitled "Web Cutting Apparatus," was made May 16, 1957, and the patent was issued January 27, 1959.

The defendant answered the complaint, denied infringe-

ment, alleged invalidity and invoked a defense of file wrapper estoppel. The original defendant was merged with Food Machinery and Chemical Corporation (FMC), the instant defendant.

The case was tried by Judge Robert E. Tehan, and the proceedings extended over a period of some six years. During that time numerous discoveries were sought and obtained by the respective parties, interrogatories were proposed and answered, four pre-trial conferences were held, a three-week trial was had with a full day devoted to oral argument, and four post-trial briefs were submitted.

The court, on June 5, 1967, rendered its opinion, in which it decided the issue of infringement in favor of plaintiff and rejected defendant's defense of file wrapper estoppel. *Paper Converting Machine Co., Inc.* v. *FMC Corporation*, 274 F. Supp. 372.[1] Consistent with the opinion, findings of fact and conclusions of law were prepared by counsel for plaintiff, submitted to opposing counsel as to form and, with slight changes, adopted by the court. The court's findings are forty-eight in number and cover twenty pages of the appendix. The court concluded that defendant's perforators infringed claims 1,[2] 2, 3, 4, 8 and 9 (those involved in the suit):

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1. The court had previously rendered an opinion, not relevant to the instant appeal, which in the main had to do with the production of documents. *Paper Converting Machine Co., Inc.* v. *FMC Corporation*, 215 F. Supp. 249.

2. Claim 1, which the court and the parties treat as typical, reads as follows:

> "In web cutting apparatus, a frame, a cutting roll rotatably mounted in said frame, means for rotating said roll, a resilient cutting blade rigidly supported upon said roll at a spaced distance from its cutting edge to provide a free flexing cutting edge, said blade being inclined with respect to a radial line drawn from the cutting edge to the roll center and forming with said line an acute angle, means for feeding the web over said roll and over said blade for travel upon said roll, a blade-supporting block adjacent said cutting roll, a *stationary cut-*

"2. * * * because the machines embody the construction defined by each claim and operate in the same fashion to produce the same advantages. In determining whether a machine infringes, similarities or differences are to be determined, not by the name of things, but in the light of what they do. *Union Paper Bag Machinery Co.* v. *Murphy*, 97 U. S. 120, 125 (1897); *Nordberg Mfg. Co.* v. *Woolery Machine Co.*, 79 F. 2d 685, 692 (7th Cir. 1935).

"3. Where the accused machine falls clearly within the claim, infringement is made out, and that is the end of it. *Graver Tank Co.* v. *Linde Air Products Co.*, 339 U. S. 605, 607 (1949). File wrapper estoppel is not available as a defense in such situations since the patentee here is not attempting to recapture what was abandoned before the Patent Office. *Weaver Mfg. Co.* v. *Bear Mfg. Co.*, 109 F. 2d 112, 115 (7th Cir. 1940).

"4. The Court concludes that as a matter of law, the requisite invention was present in the Kwitek patent, and that the patent is valid. 35 U. S. C. 101-103; *Graham* v. *Deere*, 383 U. S. 1 (1960). Copying reinforces our conclusion of validity. *Charles Peckett Mfg. Co.* v. *Jacobs*, 178 F. 2d 794, 801 (7th Cir. 1949); *Bryan* v. *Sid W. Richardson, Inc.*, 254 F. 2d 191, 196 (5th Cir. 1958)."

The court in its findings summarized the invention as follows:

"The patent thus describes a perforating structure

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ting blade rigidly supported in said block and presenting a cutting edge for coaction with said first-mentioned cutting blade, said blades having their cutting edges at an angle to each other and said stationary blade having its cutting edge radially inward of the path of travel of the cutting edge of the rotating blade, the cutting edge of the stationary blade being defined by angularly related surfaces, the cutting edge-defining surface first in the path of said rotating blade being angularly inclined relative to a radial line drawn to the stationary blade-cutting edge, whereby said blade edges engage during the rotation of said roll and said free flexing cutting edge yields during engagement with said *rigidly mounted stationary blade.*" (Italics supplied.)

which has one rotating roll, the bedroll, around which the web is partially wrapped, equipped with thin, flexible blades. These blades are rigidly supported along one edge. Further, these bedroll blades during operation contact skewed stationary blades and while being bent into associated recesses, transversely perforate the web. The stationary blades are also described in the claims as rigidly mounted or supported in a blade-supporting block or knife holder, which block or knife holder does not move or rotate during perforation. Thus, both blades being rigidly supported, one must bend to overcome the interference."

The court found (finding 29) that defendant on September 17, 1960, in response to requests for admissions of fact, "admitted that all elements of claim 1 were present in defendant's machine with the exceptions that the anvil blades were (1) stationary and (2) rigidly supported."

Defendant on brief here states the contested issues thus:

"1. Did the Trial Court err in failing to interpret the claims in the light of the actual cutter shown in the patent and as required by the crowded prior art and the patent file history; and, instead, in stretching the claim language in an unwarranted manner to include Defendant's different cutter?

"2. Did the Trial Court, here, err in its holding of infringement without any determination of what the actual claimed invention was and whether it satisfied the required tests to be a patentable invention?"

Defendant in its summary of argument states:

"The six patent claims in suit are each directed to a web cutting apparatus having relatively movable rotary and stationary intersecting blades; and these claims, after cancellation of some twenty-seven claims over prior patents, were specifically restricted by Kwitek to the blades both being *rigidly supported* so as to obtain their allowance (AII 1453-1455). The examiner in rejecting claims, that were later cancelled said: '*These claims do not define both the stationary*

and rotatable blades as being rigidly supported (AII 1453).' Kwitek immediately thereafter responded by cancelling all the claims and presenting claims that became patented claims and stated: 'It is believed that the claims as now presented also include all the suggestions made in the last Office letter.' "

Defendant further argues:

"As was found by the Patent Office and acceded to by Plaintiff in the cancellation of numerous and repeatedly rejected claims (such as claim 28, AII 1440), the basic combination of intersecting rotating yieldable and non-rotating or stationary blades was long old in the art and hence unpatentable to Plaintiff. It was only after such rejections and in response to the Examiner's requirement to limit the claims to both or all blades being '*rigidly supported*' (AII 1453), as shown by Kwitek that claims so limited were presented and allowed (AII 1461).

"The broadened interpretation of its claims, successfully urged by Plaintiff in the trial, and in its contention that Defendant's spring supported anvil blade structure is an infringement, results in such claims being unpatentable and invalid under both Section 103 and Section 112."

Based on defendant's trial theory, the court found (finding 30):

"The only difference between the machine disclosed in the patent and the accused structures relied upon by the defendant as avoiding infringement has been succinctly described by the defendant as follows:

> 'In the patented structure, the anvil blades are solidly clamped against the beam portion of the machine frame, whereas in the accused structure a transverse shaft pivotally supports the blades through an anvil casting carried by the shaft, *a spring being* interposed between the anvil and the frame beam.' (Emphasis ours.)

It is the position of the defendant that since springs

are interposed between the casting holding the stationary blades and the beam, those blades are not rigidly supported or mounted. Thus, the sole question here presented is whether the stationary or anvil blades in the accused machines are rigidly mounted or supported as required by the claims in issue. Defendant has not urged any further distinction based on the word 'stationary.' Defendant's own instruction sheets (PX 49) characterize the anvil blades as stationary."

The case is unusual in that of the voluminous findings made by the trial court only a few are criticized as not being substantially supported; in fact, only six are mentioned in defendant's brief. Defendant's criticism in the main is directed at what the court failed to find rather than at what it did. Particular criticism is made of the court's failure to make findings relating to the prior art so as to show the scope of the claims which it is asserted is a prerequisite in the determination of infringement.

The most controversial finding is as follows (finding 46):

"During the trial, the scope and content of the prior art was brought to the Court's attention even though invalidity of the patent has not been urged. During oral argument, after it had been pointed out to the Court that the last words in defendant's Second Answering Brief were 'Validity of the Kwitek patent has been disposed of as an issue here and the owners of the patent possess a legal monopoly', the Court asked counsel for defendant whether the Court had to go into validity. The answer was unequivocal, 'No, sir, you do not.' (Transcript oral argument page 66). This was followed by the Court's question, 'We are down to one issue then, infringement?'. To this, counsel for defendant replied, 'Correct'."

Defendant attacks this finding as incomplete. It argues in effect that it made only a conditional concession of validity, dependent upon the court's decision on infringe-

ment. In other words, if the court held non-infringement, validity was conceded; if it held infringement, the concession was not applicable. While such a position might be deduced from counsel's statement made at the beginning of the trial, it appears to have been abandoned, as shown by a colloquy which took place at the closing oral argument.[3]

Early in the trial, defendant's counsel stated to the court, "As you know, counsel [plaintiff's counsel] in his opening statement, and I am inclined to agree with him, says this is a very simple case and it all comes down to this matter of the word 'rigid'. I think we all agree on that." On another occasion he stated, "Excuse me, Your Honor. If we want to move this along as Mr. Fallon said, with the exception of one limitation, it's been stipulated and admitted that the Defendant's machine responds to these various elements and the only argument on infringement is the question of these pivotable anvils versus the patent's rigid anvils. The claim is a long one, and if Mr. Fallon wants to move us along, this is all agreed to."

In résumé, defendant here conceded that the claims in

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3. "Mr. Lyon [attorney for defendant]: We have no argument with the plaintiff on this case of validity, however. Neither the defendant nor anyone else in the industry, to my knowledge, has ever encroached on their fair entitlements within the patented domain as distinguished from the public domain. *Nobody that I have heard of, and I have pretty well investigated it, has made the so-called rigid anvil perforator.* * * [Italics supplied.]

"The Court: Well, do I have to go into validity?

"Mr. Lyon: No, sir, you do not.

"The Court: All right.

"Mr. Lyon: Not at all. It simply comes down to this: We feel that properly construed this patent has certain limitations and that we feel Your Honor will recognize them upon a perusal of these briefs.

"The Court: All right. That is something else. We are down to one issue then, infringement?

"Mr. Lyon: Correct.

"The Court: All right."

suit were allowed only when they were limited to disclose stationary blades "rigidly supported"; admitted in response to requests for admissions of fact that all elements of the claims were present in defendant's machine other than that which called for stationary blades "rigidly supported"; stated in closing argument, "Nobody that I have heard of, and I have pretty well investigated it, has made the so-called rigid anvil perforator." On another occasion during the course of the trial defendant stated, "With the exception of one limitation, it's been stipulated and admitted that the defendant's machine responds to these various elements, and the only argument on infringement is the question of these pivotable anvils versus the patent's rigid anvils."

The court in its opinion (274 F. Supp. 374) stated "that the sole question for decision is whether the stationary or anvil blades in the accused machines are rigidly mounted or supported as required by the claims in issue," and incorporated this statement in its findings of fact. The feeble challenge which defendant makes to this statement is devoid of merit.

Defendant's brief is permeated with the argument that the court improperly construed the claims so as to make them read upon the accused structure. Typical is its statement, "Under well established legal authorities, hereinafter referred to, the Court thus committed serious error when it construed the claims broadly and so as to embrace what was cancelled and dedicated in the file history of the patent." Posing the question differently (see contested issue 1, supra), it accuses the court of erring "in stretching the claim language in an unwarranted manner to include Defendant's different cutter."

Of the numerous cases cited in support of this argument we need mention only *Graham et al.* v. *John Deere Co of*

Kansas City et al., 383 U. S. 1, and *Fife Mfg. Co.* v. *Stanford Engineering Co.*, 299 F. 2d 223 (CA-7). In *Graham* (page 34) the court stated:

> "Here, the patentee obtained his patent only by accepting the limitations imposed by the Examiner. The claims were carefully drafted to reflect these limitations and Cook Chemical is not now free to assert a broader view of Scoggin's invention."

In *Fife* (page 226) this court stated:

> "It is well settled that a patent owner may not apply a narrow construction to his claim to avoid the prior art and then apply a broad construction to include an accused device."

Defendant's argument is fallacious because it is based upon a non-existent premise. Consequently, the cases cited in its support are not in point. The court did not construe the claims "broadly"; neither did it "stretch" the claim language. On the contrary, it applied the claims literally and found that they read directly on the accused structure. As previously shown, defendant conceded that all elements of the claims read directly upon the accused structure other than that which called for anvil blades "rigidly supported." As to this element the court found, "Under these circumstances, the Court finds that anvil blades in the accused structures are rigidly supported," and "the defendant's machines literally meet the claims and perform in a fashion identical to the patented machines when cutting a web as specified in the claims."

Closely akin to defendant's argument lastly discussed is its contention that the court's findings are fatally defective because it failed to analyze the prior art so as to determine that which was covered by the invention and that which remained in the public domain. The record reveals, as is disclosed by the court's findings, that it went into

much detail in considering the prior art patents offered by defendant. True, it appears that this was more related to the issue of infringement than to the scope of the invention. It seems to us that defendant is in an awkward position to complain, because it was responsible for the posture on which its case was presented and decided. Relative to this situation defendant on brief states, "In this respect the record shows Defendant believed its defenses of non-infringement and file history estoppel were so strong that they should be allowed; and in which event the Court would not have to pass on validity." We do not know, of course, what defendant believed, but we find it reasonable to think that it recognized the futility of defending on the ground of non-validity and chose instead to make its defense solely on non-infringement and file history estoppel.

We see no point in citing or discussing cases which announce the general rule that the court on the issue of validity must resort to the prior art and the patent history where the scope of the invention is in question. This is not such a case. If there is anything certain here, it is that the claims were allowed over the prior art, with the limitation that the anvil blades be "rigidly supported." This much the defendant time and again admitted. It not only conceded validity with the claims so limited, but advised the court that "Nobody that I have heard of, and I have pretty well investigated it, has made the so-called rigid anvil perforator."

In view of the situation presented, we are not convinced that the court committed reversible error in not further exploring the prior art and failing to make a specific finding on the defense of non-invention. In its conclusions the court did state that as a matter of law the Kwitek patent was valid. Of course, we recognize that it has been held that a court cannot be estopped from inquiring into the

issue of validity by agreement or conduct of the parties, but we think such cases are distinguishable on their facts from those here. Defendant relies particularly on *Haughey* v. *Lee et al.*, 151 U. S. 282, and *Paramount Publix Corp.* v. *American Tri-Ergon Corp.*, 294 U. S. 464. In both of these cases it was held that the inconsistency of a defendant's prior attempt to procure a patent on the same subject matter afforded no basis for an estoppel to attack the validity of the patent which he was charged to infringe. In *Paramount,* the court stated (page 477):

> "However inconsistent this early attempt to procure a patent may be with petitioner's present contention of its invalidity for want of invention, this Court has long recognized that such inconsistency affords no basis for an estoppel, nor precludes the court from relieving the alleged infringer and the public from the asserted monopoly when there is no invention. *Haughey* v. *Lee,* 151 U. S. 282, 285."

We have already expressed our agreement with the trial court's conclusion that the sole question presented on the issue of infringement "is whether the stationary or anvil blades in the accused machines are rigidly mounted or supported as required by the claims in issue." Defendant sought to escape infringement on the basis that in its device springs are interposed between the stationary blades and the beam and, consequently, the blades are not rigidly supported. Of the court's voluminous findings we set forth such portions as are particularly pertinent to the crucial issue of infringement. The court found:

> "36. It was the position of the plaintiff that the anvil springs due to 'pre-load' or precompression, do not perform as springs during 'normal operation', but perform as solid blocks so that there could be no movement either about the shaft or into the clearance. The plaintiff further urged that the defendant's interposition of springs, with their ability to compress when

abnormal conditions arise, constituted at best an improvement over the patented structure and does not avoid infringement. The plaintiff does not question the fact that the springs can be further compressed during what it terms 'abnormal' conditions, such as the presence of wads or wrap-ups, so as to permit pivoting of the anvils about the shaft as urged by defendant. The operation characterized by plaintiff as 'normal' has been described by the defendant as 'ideal'. When we use the term 'normal' operation, we refer to an operation in which the web is moving through the perforating unit and being perforated. In so doing, we do not imply that there is not ever present the possibility of wads and wrap-ups at the perforator which possibility, if occurring, necessitates stoppage of the unit, whether it be of plaintiff's or defendant's construction, this being shown by movies (DX 286 and 287) and on which various witnesses testified. In the movies shown to the Court, wads going through the perforator required the machine to be shut down and cleaned, as testified to by defendant's own engineer, Besserdich. (R. 882.)

"37. The parties are in agreement that the springs associated with each anvil exert eighty pounds of force. This force is derived from the compression of the springs effected by the position of the adjusting screw. The springs are compressed from their free length and held in this condition by the cooperation of the adjusting screw and stop button. This arrangement is denominated by engineers as spring 'pre-load' and means, in effect, that the pre-load must be exceeded (here eighty pounds) before further spring compression can be effected. If there is no further compression during normal operation, the springs function as a solid bar and the anvil blades are rigidly mounted. It is clear that any movement or pivoting of the anvils (and thus the anvil blades) in defendant's accused machines during normal operation must be caused by interference between the thin, flexible bedroll blades and the anvil blades as the bedroll rotates. It is also clear that the force from the roll blades

necessary to produce such movement must be sufficient to overcome the force exerted by the springs which hold the anvils in position against the adjusting screw contacting the stop button. * * * All the force the roll or rotating blade could exert during contact at normal interferences was 22 lbs. The Court participated in a demonstration using a fish scale and noted that, even with a mechanical advantage, it was necessary to exert a pull of 65 lbs. on the No. 1 anvil in order to cause movement. The Court finds that the bedroll blades exert insufficient force to overcome the force exerted by the springs and thus are incapable of causing movement of the anvils during normal operation, and this irrespective of what pivot point the movements were based on.

* * *

"43. Barlament and Bradley, engineers who had experience in operating both plaintiff's and defendant's machines testified that in normal operation, it was possible to perforate a sheet without anvil movement. This leaves, therefore, only the question of whether the anvil blades are resiliently supported or mounted by reason of the fact that movement of the anvils is concededly permitted by the springs during abnormal operation. This, in essence, is the approach and opinion of Dr. Jacobsen. Dr. Jacobsen based his opinion that the anvils were resiliently mounted on the fact that they have the ability to move, or as he phrased it, 'the ability to roll with the punches' (R. 1178). In the end he admitted that his tests proved nothing with respect to motion of the anvils during normal operation but maintained that the mere presence of springs made the anvils resiliently mounted.

"44. In support of this latter approach, the Court finds that there was no evidence to show that the springs were interposed in defendant's machine to permit movement of the anvils and anvil blades during normal perforating operation or to perform any function during such operation. Such an advantage or purpose was not shown to have been advanced by the defendant as a desirable feature when the perfo-

rators were introduced. Rather, the springs are described in the defendant's early literature as holding the anvil in position and no statement is made that the anvil movement during perforation occurs or is desirable.

"45. While a spring is unquestionably resilient, it can function as a rigid bar and the springs in defendant's machines do so function until their pre-load is overcome, a condition which does not occur while the structures are performing the function for which they are designed, that is, perforating paper. When the springs cease to operate as a rigid bar, that is, when their latent resilient capabilities are called into play by overload conditions, the structures cease to perform their intended function since the machines must be stopped to correct the trouble in the web being fed through them. Under these circumstances, the Court finds that anvil blades in the accused structures are rigidly supported or mounted within the meaning of the claims in issue. The Court further finds that a spring mounting or support can, by its very nature, be considered rigid in situations where the spring functions as a rigid member holding the anvil blade in cutting position and preventing movement while perforation is taking place. Further, the Court finds that plaintiff is not improperly attempting to interpret its patent as covering a mode of operation [rather] than a structure. The defendant's anvil support is rigid for all practical purposes during operation of the machine and the interposition therein of a member having resilient capacities not utilized during perforation does not avoid infringement. Such a member may be an improvement over the corresponding member in the patented device as by providing automatic pivoting of the anvils on overload, overload releases being common safeguards. The feature of employing movable anvils is also taught in the Kwitek patent and covered by claim 9. It is expected that changes or improvements will be made by later comers. But this does not alter the fact that the defendant's machines literally meet the claims and perform

in a fashion identical to the patented machines when cutting a web as specified in the claims."

Defendant persists in its argument that the court's ultimate finding of infringement was based upon an erroneous interpretation of the "rigidly supported" stationary cutting blades of the claims in suit so as to read upon the spring mounted pivotal anvil of defendant's structure. We again reject this argument. The court evaluated defendant's structure alleged to infringe and found that in normal operation its blades were rigidly supported, as called for in the claims. Defendant contends that the court improperly characterized its operation as "normal" and "abnormal". We think the court in the findings above quoted satisfactorily answered this contention.

In considering the court's findings relative to the issue of infringement, little if any aid might ordinarily be expected from case law because of the difference in their factual situations. However, two cases called to our attention merit consideration because of their factual similarities, as well as the reasoning employed by the courts. *Weaver Mfg. Co. et al. v. Bear Mfg. Co.*, 109 F. 2d 112 (CA-7), and *Farrington* v. *Haywood*, 35 F. 2d 628 (CA-6).

In *Weaver*, the patentee's claim was limited to a disclosure of a rigid connection of the piston rod to a platform. Defendant contended that in its alleged infringing structure there was no rigid connection between the piston rod and the platform. This court, in denying defendant's contention that it escaped infringement because of the "rigid connection" element, stated (page 115):

> "The word 'rigid' has a variety of meanings, which in our opinion would not support appellant's contention. However, we assume that the word 'rigid' means stiff and inflexible, but we think that a rigid connection does not necessarily mean a fastening together. There may be a rigid connection by a mere contact.

> Appellant is quite right in stating that in its device there is no connection at all when the tester is not in use. However, when the contact is made between these headers by the thrust caused by the locked wheels of the automobile, for all practical purposes the connection is just as rigid as if the two headers were welded together. It is quite true that appellant has a different method of restoring the platform to its original position after the test has been made, but with that we are not concerned and it is not necessary to describe it here."

In *Farrington*, the patent was on a stirrer to be inserted into a paint barrel. By action of the Patent Office, the claims were limited to a one-piece stirrer. The defendant made a two-piece stirrer, hinged together so as to operate on a different principle under the abnormal condition of accumulating a large amount of sediment. In holding the patent infringed, the court stated (page 631):

> "There is a substantial identity of form and method of operation with only 'such variations as are consistent with its being in substance the same thing.' * * It will therefore infringe at some stage of its operation. It is unnecessary that it infringe at all stages."

Farrington was cited with approval by this court in *Highway Appliances Co.* v. *American Concrete Expansion Joint Co. et al.*, 93 F. 2d 113, 118.

As noted in the beginning, this was a protracted case, presided over by Judge Tehan from its inception to its conclusion. The trial consumed three weeks, at the conclusion of which oral argument was heard for an entire day. Both the patent structure and that alleged to infringe were operated in the presence of the court. Numerous expert witnesses demonstrated and testified as to their operation. The court witnessed movies of the structures in operation. The record is convincing that Judge

Tehan had an acute understanding of the structures and their manner of operation.

In *Graver Tank & Mfg. Co., Inc. et al.* v. *Linde Air Products Co.*, 336 U. S. 271, in discussing Rule 52 (a) the court stated (page 274):

> "To no type of case is this last clause more appropriately applicable than to the one before us, where the evidence is largely the testimony of experts as to which a trial court may be enlightened by scientific demonstrations."

On the following page it stated:

> "The rule requires that an appellate court make allowance for the advantages possessed by the trial court in appraising the significance of conflicting testimony and reverse only 'clearly erroneous' findings."

In our view, the findings of the court as they relate to the issue of infringement are adequately supported by the record. Certainly there is no reasonable basis upon which we could hold that they are "clearly erroneous." Such being the case, the findings support the judgment of infringement.

We deem it unnecessary to set forth the findings which describe in detail the ten-year effort made without success by plaintiff, defendant and their competitors to develop an apparatus which would produce toilet and other paper webs satisfactory to their customers. A summary of such activities is shown in the District Court's opinion. *Paper Converting Machine Co., Inc.* v. *FMC Corp.*, 274 F. Supp. 372. It is sufficient here to state that the problem which vexed the industry for many years was solved by the apparatus disclosed in the patent in suit. Customers of plaintiff's competitors, including defendant, demanded a quality of product equal to that produced by plaintiff. We think the record clearly reveals that defendant met

this response by developing the apparatus alleged to infringe.

Defendant contends that it was not an infringer because its apparatus was a patentable improvement, as shown by Patent No. 2,986,058, issued May 30, 1961 to O. Besserdich (its engineer). No case is cited which supports this argument. This court in *Weaver Mfg. Co. et al.* v. *Bear Mfg. Co.*, 109 F. 2d 112, considered the same contention, and in response thereto stated (page 114):

> "There seems to be no doubt that a patent may issue for improvements on an existing patented device. Such subsequent patents, however, would not in any way relieve such patentee from liability for infringement of the prior patent if used as an element in the later patent."

The court in its findings (above quoted) suggested that defendant's apparatus might be an improvement, and plaintiff on brief here concedes as much; however, it is a rule well established that a mere improvement does not avoid infringement. *Temco Electric Motor Co.* v. *Apco Mfg. Co.*, 275 U. S. 319; *Nordberg Mfg. Co.* v. *Woolery Machine Co.*, 79 F. 2d 685, 692; *Highway Appliances Co.* v. *American Concrete Expansion Joint Co. et al.*, 93 F. 2d 113, 118. In *Temco*, the court stated (page 328):

> "It is well established that an improver can not appropriate the basic patent of another and that the improver without a license is an infringer and may be sued as such. [Citing cases.]"

Lastly, we agree with the trial court's conclusion that file wrapper estoppel is not available as a defense. As previously shown, we have approved the trial court's determination that the claims in suit read literally upon the accused structure. Thus, there is no occasion to resort to the doctrine of equivalents. Of the numerous cases called to our attention, the one most relevant is *Smiths America*

Corp. v. *Bendix Aviation Corp.*, 140 F. Supp. 46 (D. C. D. C.), affirmed 248 F. 2d 621, 626 (C. A. D. C.). In that case the District Court cited many cases in support of the statement (page 54), with which we agree:

> "But the Court is of the opinion that no question of File Wrapper Estoppel arises unless it can be shown that it is necessary to go beyond the ordinary and accepted meaning of the words in the allowed claims, and not even then unless it can be shown that plaintiffs must resort to the doctrine of equivalents. Therefore, since the Court has determined, as stated above, that the claims in plaintiffs' patents read directly on defendant's sextant, it is unnecessary for plaintiffs to resort to the doctrine of equivalents. Thus the authorities cited by defendant under its defense of File Wrapper Estoppel have no applicability in this case."

The judgment appealed from is

AFFIRMED.

APPENDIX C.

IN THE UNITED STATES DISTRICT COURT.

* * (Caption—59-C-152) * *

JUDGMENT.

This cause having been heard by the Court, and the Court, being duly advised in the premises, having entered Findings of Fact and Conclusions of Law herein,

It Is Hereby Ordered, Adjudged, and Decreed:

I.

The Findings of Fact and Conclusions of Law are hereby incorporated herein by reference and made a part of this judgment.

II.

Plaintiff is the owner of U. S. Letters Patent, No. 2,870,-840, and is entitled to maintain this action.

III.

Claims 1, 2, 3, 4, 8 and 9 of U. S. Letters Patent No. 2,870,840, are good and valid in law.

IV.

Defendant FMC Corporation has infringed claims 1, 2, 3, 4, 8 and 9 of U. S. Letters Patent, 2,870,840, and is liable and answerable to Plaintiff as infringer of claims 1, 2, 3, 4, 8 and 9 of U. S. Letters Patent No. 2,870,840, and said Defendant, its officers, directors, agents, servants and em-

ployees, and all persons, companies, and corporations in active concert or participation with them, each and all of them, are hereby enjoined and restrained for the term of said patent from infringement, directly or indirectly, of claims 1, 2, 3, 4, 8 and 9 of said U. S. Letters Patent No. 2,870,840.

V.

Plaintiff shall have an accounting for the determination of the amount of damages sustained by Plaintiff by reason of such infringement of the patent in suit, such damages to be not less than a reasonable royalty. The questions of willful infringement entitling Plaintiff to increased damages under Title 35, U. S. C. A., Sec. 284, the amount and period of interest, and attorneys' fees pursuant to Title 35 U. S. C., Section 285 and expenses pursuant to F. R. C. P. 37(c) are hereby specifically reserved until the accounting period.

VI.

Plaintiff is entitled to recover and is hereby awarded its costs and disbursements herein, to be fixed and determined by the Clerk of this Court after entry herein of final judgment.

ROBERT E. TEHAN,
United States District Judge.

Dated: August 10th, 1967.

Entered: .....

APPENDIX D.

FINDING OF FACT.

46. During the trial, the scope and content of the prior art was brought to the Court's attention even though invalidity of the patent has not been urged. During oral argument, after it had been pointed out to the Court that the last words in defendant's Second Answering Brief were "Validity of the Kwitek patent has been disposed of as an issue here and the owners of the patent possess a legal monopoly", the Court asked counsel for defendant whether the Court had to go into validity. The answer was unequivocal, "No, sir, you do not." (Transcript oral argument page 66). This was followed by the Court's question, "We are down to one issue then, infringement?". To this, counsel for defendant replied, "Correct". (Transcript page 67.)

APPENDIX E.

CONCLUSION OF LAW.

4. The Court concludes that as a matter of law, the requisite invention was present in the Kwitek patent, and that the patent is valid. 35 U. S. C. 101-103; *Graham* v. *Deere*, 383 U. S. 1 (1966). Copying reinforces our conclusion of validity. *Charles Peckett Mfg. Co.* v. *Jacobs*, 178 F. 2d 794, 801 (7th Cir. 1949); *Bryan* v. *Sid W. Richardson, Inc.*, 254 F. 2d 191, 196 (5th Cir. 1958).

APPENDIX F.

Rule 52.

FINDINGS BY THE COURT.

(a) *Effect.* In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. If an opinion or memorandum of decision is filed, it will be sufficient if the findings of fact and conclusions of law appear therein. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rules 12 or 56 or any other motion except as provided in Rule 41(b).

APPENDIX G.

TITLE 35, U. S. C.

§ 102. *Conditions for patentability; novelty and loss of right to patent*

A person shall be entitled to a patent unless—

(a) the invention was known or used by others in this country, or patented or described in a printed publication in this or a foreign country, before the invention thereof by the applicant for patent, or

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

(c) he has abandoned the invention, or

(d) the invention was first patented or caused to be patented by the applicant or his legal representatives or assigns in a foreign country prior to the date of the application for patent in this country on an application filed more than twelve months before the filing of the application in the United States, or

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or

(f) he did not himself invent the subject matter sought to be patented, or

(g) before the applicant's invention thereof the invention was made in this country by another who had not

abandoned, suppressed, or concealed it. In determining priority of invention there shall be considered not only the respective dates of conception and reduction to practice of the invention, but also the reasonable diligence of one who was first to conceive and last to reduce to practice, from a time prior to conception by the other. July 19, 1952, c. 950, § 1, 66 Stat. 797.

§ 103. *Conditions for patentability; non-obvious subject matter*

A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made. July 19, 1952, c. 950, § 1, 66 Stat. 798.

APPENDIX H.

28 U. S. C.

§ 1254. *Courts of appeals; certiorari; appeal; certified questions*

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;